



BUDGET COMMITTEE



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Senator Gregg Raises Pay-Go Point of Order Against Reid Tax and Highway Extension Bill

Highway Extension Has Become Highway Robbery of Next Generation

Senator Judd Gregg (R-NH), ranking member of the Senate Budget Committee, today raised a Senate Pay-Go point of order against Senate Majority Leader Harry Reid's tax and highway extension bill because it increases the deficits by \$12 billion over the next five years.

"The majority leader's claims that this bill is fully paid for and will not add to the deficit are blatantly false," said Senator Gregg. "In 2010 alone, the bill will increase the deficit by \$4.5 billion.

"Beyond the deficit impact of the whole bill, the highway extension title of the Reid bill alone will immediately increase the debt with a \$19.5 billion transfer from the Treasury General Fund to the Highway Trust Fund upon enactment. Using two budget gimmicks, another \$27 billion would be transferred over the next 10 years, also increasing the debt. But the General Fund is insolvent – which is why Congress voted to increase the debt limit to more \$14 trillion last month – and will have no choice but to borrow money to cover these transfers. Ultimately, the \$142 billion spending increase in the highway title of this bill will increase the federal debt by an identical amount.

"This highway extension has become a case of highway robbery of our children, who will be stuck with all of this resulting debt. I am raising this point of order so that my colleagues can stop and take a hard look at the facts behind the misleading rhetoric. A vote to waive this point of order is a vote to saddle our kids with more debt than they are already under."

The Senate Pay-Go point of order, established by Section 201(a) of the FY 2008 Budget Resolution, prohibits consideration of direct spending or revenue legislation that would cause or increase an on-budget deficit for the current year and the first five years of the Budget Resolution now in effect (2010-2014), or for the current year and the first 10 years of the Budget Resolution now in effect (2010-2019). Once the point of order is raised, a waiver requires 60 votes, or the entire bill is brought down.

According to estimates from the Congressional Budget Office (CBO), the Reid bill increases the deficit by \$4.5 billion in FY 2010, \$6 billion in FY 2011, \$12 billion over the five-year Pay-Go enforcement window, and \$2 billion over the 10-year Pay-Go enforcement window.